

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SEPARATION OF COSTS OF REGULATED)	ADMINISTRATIVE
TELEPHONE SERVICE FROM COST OF)	CASE NO. 321
NONREGULATED ACTIVITIES)	

Introduction

In its May 20, 1988 Order in this case, the Commission made a determination that the case should proceed in two phases. Phase one would consist of those telephone utilities¹ that filed Cost Allocation Manuals ("CAMs") with the Federal Communications Commission ("FCC") and Alltel Kentucky, Inc. ("Alltel"). The second phase included those telephone utilities participating in the Independent Telephone Group ("ITG").² Phase two was concluded by Order dated December 22, 1988.

¹ South Central Bell Telephone Company ("SCB"), Cincinnati Bell Telephone Company ("CBT"), GTE South Incorporated ("GTE"), and Contel of Kentucky, Inc. ("Contel").

² Ballard Rural Telephone Cooperative Corporation, Inc.; Brandenburg Telephone Company, Inc.; Duo County Telephone Cooperative Corporation, Inc.; Foothills Rural Telephone Cooperative Corporation, Inc.; Harold Telephone Company, Inc.; Highland Telephone Cooperative, Inc.; Leslie County Telephone Company, Inc.; Lewisport Telephone Company, Inc.; Logan Telephone Cooperative, Inc.; North Central Telephone Cooperative, Inc.; Peoples Rural Telephone Cooperative Corporation, Inc.; Salem Telephone Company; South Central Rural Telephone Cooperative Corporation, Inc.; Thacker-Grigsby Telephone Company, Inc.; West Kentucky Rural Telephone Cooperative Corporation, Inc.

Discussion

In August 1987, GTE, SCB, CBT and Contel filed their CAMs with the FCC. Although Alltel was not required to file, it did prepare a CAM for use by its telephone operating subsidiaries. The manual was prepared in anticipation of future FCC or state public utility commission actions. The CAM is substantially similar to those filed by the other companies with the FCC, and it has been filed as a part of the record in this case. On January 1, 1988, the CAMs were conditionally approved and implemented by the FCC subject to minor revisions. Because of the likelihood of continuous modifications, revisions to CAMs are to be made at the FCC in a manner similar to tariff filings.

In an Order dated May 20, 1988, this Commission delayed proceedings for the telephone utilities included in phase one of the case pending completion of FCC review of the CAMs and issuance of a final Order. In the interim, we ordered that any filings and/or modifications made to those manuals filed with the FCC be filed as a part of this case in a timely manner.³ Inasmuch as it is not clear to the Commission whether these filings and/or modifications have been made in compliance with the May 20, 1988 Order, a final Order cannot be issued until the record in this case is complete.

³ Order dated May 20, 1988, page 3.

Findings and Orders

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. Each telephone utility that is required to file a CAM and revisions or modifications with the FCC should file with the Commission its current CAM and revisions or modifications which have been filed with the FCC within 21 days of the date of this Order.

2. Each company for which Finding 1 is applicable should file all FCC memorandum opinions and orders associated with its CAM which have been issued within 21 days of the date of this Order.

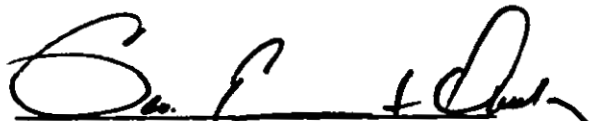
3. Each company for which Finding 1 is applicable should file in this proceeding any future revisions and modifications until further notification.

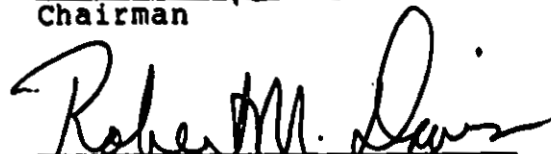
4. Alltel should be subject to all of the above findings as they relate to its internal CAM.

Each of the above Findings is HEREBY ORDERED.

Done at Frankfort, Kentucky, this 26th day of June, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director